



# Contents

---

Corporate Profile	2
Directors' Report	3
Directors' Report (Urdu)	4
Independent Auditors' Review Report to the Certificate Holders	5

## **UN CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**

---

Interim Balance Sheet	6
Interim Profit and Loss Account	7
Interim Statement of Comprehensive Income	8
Interim Statement of Changes in Equity	9
Interim Cash Flow Statement	10
Selected Notes to the Interim Financial Information	11-20

## **CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**

---

Condensed Interim Balance Sheet	22
Condensed Interim Profit and Loss Account	23
Condensed Interim Statement of Comprehensive Income	24
Condensed Statement of Changes in Equity	25
Condensed Interim Cash Flow Statement	26
Selected Notes to the Interim Financial Information	27-36



## Corporate Profile

### Board of Directors

Punjab Modaraba Services (Pvt.) Ltd.

Khalid Siddiq Tirmizey	Chairman
Aamir Malik	Chief Executive
Nadeem Amir	Director
Ijaz ur Rehman Qureshi	Director
Mahboob-ul-Hassan	Director
Umer Iqbal Sheikh	Director
Imran Bashir	Director

### Chief Financial Officer & Company Secretary

Mudassar Kaiser Pal

### Audit Committee

Imran Bashir	Chairman
Nadeem Amir	Member
Ijaz ur Rehman Qureshi	Member

### Human Resource Committee

Imran Bashir	Chairman
Ijaz ur Rehman Qureshi	Member
Nadeem Amir	Member
Aamir Malik	Member

### Auditors of the Modaraba

EY Ford Rhodes  
Chartered Accountants

### Auditors of the Management Company

Shinewing Hameed Chaudhry & Co.  
Chartered Accountants

### Bankers

The Bank of Punjab  
Bank Alfalah Limited  
Meezan Bank Limited

### Registrar

Hameed Majeed Associates (Pvt) Ltd.  
H.M. House, 7-Bank Square,  
The Mall, Lahore  
Tel: (+92-42) 37235081-2

### Registered Office

Office No. 100, 3rd Floor National Tower,  
Egerton Road, Lahore.  
Postal Code No. 54600  
PABX: (+92-42) 36365191  
Fax: (+92-42) 36365193  
E-mail: info@punjabmodaraba.com.pk  
URL: www.punjabmodaraba.com.pk



## Directors' Report

The Board of Directors of Punjab Modaraba Services (Pvt.) Limited, the Management Company of First Punjab Modaraba (the Modaraba), is pleased to present the quarterly results of the Modaraba, together with Directors' report, for six months ended December 31, 2019.

According to the State Bank of Pakistan, the economy moved progressively along the adjustment path. So far, the policy mix appears adequate to address the macroeconomic imbalances and push the economy towards stability. The overall current account deficit has narrowed by 74%, hot money injections in local debt market have boosted the foreign exchange reserves and FBR's tax collection during 6MFY20 saw an increase of approximately 17% as compared to 6MFY19. However, inflation remained high due to devaluation of PKR against the greenback and the relative inelasticity in the country's fuel demand.

Going forward, it is vital that the government continues to address the underlying structural vulnerabilities and put the economy on a balanced and sustainable growth trajectory. Furthermore, there is a need to build on gains on the ease of doing business front.

The Modaraba remained successful in booking adequate quantum of fresh assets during the period under review. The total revenue increased by 52% as compared with corresponding period. However, the revenue improvement was offset by steep rise of 76% in financial cost, being perpetual effect of profit rates upsurge. The recovery from non-performing assets leading to reversal of provision, contributed to achieve profit after tax of Rs.1.67 million. The wholly owned subsidiary was able to sustain the modest profitability despite dull performance of the capital market.

Going forward, the Modaraba will persist with booking of fresh assets with cautious approach. The recovery from non-performing assets, through litigation and / or out-of-court settlement will remain the other equally vital objective of the Modaraba.

The Board is grateful for the continuous guidance and support extended by the Registrar Modaraba, Securities & Exchange Commission of Pakistan and expects the same in future as well. The Board is also thankful for the patronage extended by the certificate holders.

Lahore: February 28, 2020

For and on behalf of the Board of Directors

**Chief Executive**  
Punjab Modaraba Services  
( Private ) Limited

**Director**  
Punjab Modaraba Services  
( Private ) Limited

## ڈائریکٹرز کی رپورٹ

پنجاب موداربا سروسز (پرائیویٹ) لمیٹڈ جو فرسٹ پنجاب موداربا کی انتظامی کمپنی ہے، اس کے بورڈ آف ڈائریکٹرز 31 دسمبر 2019 کو ختم ہونے والے نصف سال کے نتائج اور ڈائریکٹر رپورٹ مسرت کے ساتھ پیش کرتے ہیں۔

اسٹیٹ بینک آف پاکستان کے مطابق معیشت ترقی کے راستے پر آگے بڑھ رہی ہے اور معاشی عدم توازن کو دور کرنے اور معیشت کو استحکام کی طرف بڑھانے کے لئے کافی ہے۔ اکاؤنٹس کا مجموعی خسارہ %74 کم ہو گیا ہے اور مقامی قرضوں میں پیسہ آنے سے زرمبادلہ کے ذخائر میں اضافہ ہوا ہے۔ رواں سال 2020 کے پہلے ششماہی میں FBR کا ٹیکس وصولی میں مالی سال 2019 کی ششماہی کے مقابلے میں %17.17 کا اضافہ ہوا۔ تاہم گرین بیک کے بالمقابل روپے کی قدر میں کمی اور ایندھن کی طلب میں استقلال کی وجہ سے افراط زر زیادہ رہا۔

یہ ضروری ہے کہ حکومت بنیادی ڈھانچے میں پائے جانے والی کمزوریوں کا ازالہ کرتی رہے اور آگے بڑھنے کے لئے معیشت کو متوازن اور پائیدار ترقی کے راستے پر ڈال دے۔ مزید برآں، سسٹم کو آسان کر کے نئے کاروبار سے فائدہ اٹھانے کی ضرورت ہے۔

زیر جائزہ مدت کے دوران موداربا تازہ اثاثوں کی بکنگ میں کامیاب رہا اور کل آمدنی میں %52 اضافہ ہوا۔ ڈسکاؤنٹ ریٹ کی شرح میں اضافہ کی وجہ سے مالی لاگت میں بھی %76 اضافہ سے وہ محلول ہو گئی۔ نادہندہ قرضوں سے وصولی کے باعث واپس ہونے والی پروویژن نے 1.67 ملین روپے کے بعد از ٹیکس منافع کے حصول میں کردار ادا کیا۔ مکمل ملکیتی ماتحت ادارہ نے کپٹل مارکیٹ کی مدہم کارکردگی کے باوجود معمولی منافع کو برقرار رکھا۔

موداربا احتیاط کے ساتھ آگے بڑھتے ہوئے تازہ اثاثوں کی بکنگ جاری رکھے گی۔ نادہندہ اثاثوں سے بازیابی، قانونی چارہ جوئی اور/یا عدالت سے باہر تصفیے کے ذریعے رقم کی وصولی موداربا کا دوسرا اہم مقصد رہے گا۔

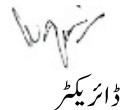
بورڈ، رجسٹرار موداربا اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے دی گئی مستقل رہنمائی اور مدد کے لئے شکر گزار ہے اور مستقبل میں بھی اس کی توقع کرتا ہے۔ بورڈ، اپنے سرٹیفیکیٹ ہولڈرز کی جانب سے دی گئی سرپرستی کا بھی شکر گزار ہے۔

منجانب/ برائے بورڈ آف ڈائریکٹرز



چیف ایگزیکٹو

لاہور، 28 فروری 2020



ڈائریکٹر



## **Independent Auditors' Review Report to the Certificate Holders of First Punjab Modaraba**

Report on Review of Un Consolidated Interim Financial Satatment

### **Introduction**

We have reviewed the accompanying unconsolidated condensed interim balance sheet of First Punjab Modaraba as at 31 December 2019 and the related unconsolidated condensed interim statement of profit and loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, unconsolidated condensed interim cash flow statement, and notes to the unconsolidated condensed interim financial statements for the six month period then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### **Other matters**

The figures of the unconsolidated condensed interim statement of profit and loss and unconsolidated condensed interim statement of comprehensive income for the three month period ended 31 December 2019 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended 31 December 2019.

The engagement partner on the audit resulting in this independent auditor's report is Farooq Hameed.

EY Ford Rhodes  
Chartered Accountants

Lahore: February 28, 2020



# First Punjab Modaraba

## UNCONSOLIDATED BALANCE SHEET (UN-AUDITED)

AS AT 31 DECEMBER 2019

	Note	31 December 2019 (Un-Audited) Rupees	30 June 2019 (Audited) Rupee
<b>ASSETS</b>			
<b>Non current assets</b>			
Tangible fixed assets			
- Ijarah assets	5.1	518,825,924	363,711,083
- Assets in own use	5.2	3,350,156	3,338,201
Investment in subsidiary	6	76,500,000	76,500,000
Long term musharrikah investment - secured	7	313,413,674	382,757,015
Long term morabaha investment - secured	8	5,897,466	9,053,126
Long term deposits		203,444	203,444
Deferred tax asset		64,398,663	64,398,663
		<b>982,589,327</b>	<b>899,961,532</b>
<b>Current assets</b>			
Short term morabaha investment - secured	9	320,862,208	294,796,541
Current maturity of long term investment	10	432,396,595	479,398,426
Ijarah rental receivable		271,734,525	300,162,866
Advances, deposits, prepayments and other receivables		117,661,680	108,106,122
Tax refund due from government		4,562,763	4,145,679
Cash and bank balances		26,134,172	43,024,878
		<b>1,173,351,943</b>	<b>1,229,634,512</b>
<b>TOTAL ASSETS</b>		<b>2,155,941,270</b>	<b>2,129,596,044</b>
<b>EQUITY AND LIABILITIES</b>			
Authorized certificate capital 50,000,000 (30 June 2019: 50,000,000) modaraba certificates of Rs. 10 each		<b>500,000,000</b>	500,000,000
Issued, subscribed and paid-up certificate capital 34,020,000 (30 June 2019: 34,020,000) certificates of Rs. 10 each		<b>340,200,000</b>	340,200,000
Capital reserves		216,692,528	216,692,528
Revenue reserves		(362,609,674)	(364,283,405)
		<b>194,282,854</b>	192,609,123
<b>Non current liabilities</b>			
Long term security deposits		64,035,109	51,453,730
Deferred morabaha income		8,557,648	776,860
Long term musharrikah finance - secured	11	1,259,224,690	1,223,621,569
		<b>1,331,817,447</b>	1,275,852,159
<b>Current liabilities</b>			
Current maturity of non current liabilities		85,549,471	95,179,731
Redeemable capital - participatory and unsecured		413,534,862	445,518,493
Profit payable		48,657,655	40,771,650
Trade and other payables	12	63,213,841	61,114,844
Provision for taxation		1,335,478	992,666
Unclaimed profit		17,549,662	17,557,378
		<b>629,840,969</b>	661,134,762
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,155,941,270</b>	<b>2,129,596,044</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	13		
The attached notes 1 to 24 form an integral part of these unconsolidated condensed interim financial statements.			

For Punjab Modaraba Services (Private) Limited  
(Modaraba Management Company)

Chief Executive

Punjab Modaraba Services  
(Private) Limited

Chief Financial officer

Punjab Modaraba Services  
(Private) Limited

Director

Punjab Modaraba Services  
(Private) Limited

Director

Punjab Modaraba Services  
(Private) Limited



**UNCONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)**

For the six months ended 31 December 2019

Note	2019		2018	
	Six months Ended	Three months Ended	Six months Ended	Three months Ended
	31 December 2019	31 December 2019	31 December 2018	31 December 2018
----- (Rupees) -----				
<b>Income</b>				
Income from ijarah rentals	37,783,382	27,791,876	23,806,623	13,255,753
Income from morabaha financing	9,148,147	5,386,788	2,510,655	885,335
Income from diminishing musharaka financing	71,241,173	36,804,792	43,646,219	18,924,288
Gain on disposal of fixed assets	1,591,635	1,193,030	4,667,378	3,452,602
Other income	4,952,093	3,873,464	7,105,932	5,986,838
	<b>124,716,430</b>	<b>75,049,950</b>	81,736,807	42,504,816
<b>Expenses</b>				
Administrative expenses	14 17,026,170	8,283,158	16,675,573	8,294,812
Finance cost	15 109,183,430	55,578,591	61,855,068	34,088,357
	<b>126,209,600</b>	<b>63,861,749</b>	78,530,641	42,383,169
<b>Operating (loss) / profit before provision</b>	<b>(1,493,170)</b>	<b>11,188,201</b>	3,206,166	121,647
Reversal for impairment of ijarah assets	-	-	12,872,346	8,448,862
Reversal / (Provision) for musharikhah investment	3,509,713	-	(4,947,175)	(4,947,175)
	<b>3,509,713</b>	<b>-</b>	7,925,171	3,501,687
<b>Operating profit after provision and impairment</b>	<b>2,016,543</b>	<b>11,188,201</b>	11,131,337	3,623,334
<b>Modaraba Company's management fee</b>	-	-	-	-
	<b>1,983,073</b>	<b>11,154,731</b>	11,131,337	3,623,334
<b>Taxation</b>	<b>(342,812)</b>	<b>(3,984,249)</b>	(1,892,327)	(2,132,218)
<b>Profit for the period</b>	<b>1,673,731</b>	<b>7,203,952</b>	9,239,010	1,491,116
<b>Earnings per certificate - basic and diluted</b>	16 <b>0.05</b>	<b>0.21</b>	0.27	0.04

The attached notes 1 to 24 form an integral part of these unconsolidated condensed interim financial statements.

**For Punjab Modaraba Services (Private) Limited  
(Modaraba Management Company)**

Chief Executive  
Punjab Modaraba Services  
(Private) Limited

Chief Financial officer  
Punjab Modaraba Services  
(Private) Limited

Director  
Punjab Modaraba Services  
(Private) Limited

Director  
Punjab Modaraba Services  
(Private) Limited



**UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**

For the six months ended 31 December 2018

Note	2019		2018	
	Six months Ended	Three months Ended	Six months Ended	Three months Ended
	31 December 2019	31 December 2019	31 December 2018	31 December 2018
	----- (Rupees) -----			
Income for the year	<b>1,673,731</b>	<b>7,203,952</b>	9,239,010	1,491,116
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>1,673,731</b>	<b>7,203,952</b>	9,239,010	1,491,116

The attached notes 1 to 24 form an integral part of these unconsolidated condensed interim financial statements.

**For Punjab Modaraba Services (Private) Limited  
(Modaraba Management Company)**

**Chief Executive**  
Punjab Modaraba Services  
(Private) Limited

**Chief Financial officer**  
Punjab Modaraba Services  
(Private) Limited

**Director**  
Punjab Modaraba Services  
(Private) Limited

**Director**  
Punjab Modaraba Services  
(Private) Limited





## UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the six months ended 31 December 2019

	Certificate capital	Capital Reserve Statutory reserves	Revenue Reserve Accumulated loss	Total
	----- (Rupees) -----			
<b>Balance as at 01 July 2018</b>	340,200,000	215,447,495	(352,253,538)	203,393,957
Profit for the period	-	-	9,239,010	9,239,010
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	9,239,010	9,239,010
Transactions with owners Profit distribution for the year ended 30 June 2018 at Rs. 0.5 per certificate	-	-	(17,010,000)	(17,010,000)
Balance as at 31 December 2018	340,200,000	215,447,495	(360,024,528)	195,622,967
<b>Balance as at 01 July 2019</b>	<b>340,200,000</b>	<b>216,692,528</b>	<b>(364,283,405)</b>	<b>192,609,123</b>
Profit for the period	-	-	1,673,731	1,673,731
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	1,673,731	1,673,731
<b>Balance as at 31 December 2019</b>	<b>340,200,000</b>	<b>216,692,528</b>	<b>(362,609,674)</b>	<b>194,282,854</b>

The attached notes 1 to 24 form an integral part of these unconsolidated condensed interim financial statements.

**For Punjab Modaraba Services (Private) Limited  
(Modaraba Management Company)**

**Chief Executive**  
Punjab Modaraba Services  
(Private) Limited

**Chief Financial officer**  
Punjab Modaraba Services  
(Private) Limited

**Director**  
Punjab Modaraba Services  
(Private) Limited

**Director**  
Punjab Modaraba Services  
(Private) Limited



## UNCONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)

For the six months ended 31 December 2019

	Note	31 December 2019 Rupees	30 December 2018 Rupees
<b>Cash flow from operating activities</b>			
<b>Cash used in operating activities</b>	<b>17</b>	<b>(40,553,899)</b>	(13,230,812)
Profit paid on redeemable capital		(26,730,286)	(14,594,769)
Profit paid on musharikhah finances		(74,502,531)	(38,708,999)
Taxes paid		(417,083)	(2,277,779)
		<b>(101,649,900)</b>	(55,581,547)
<b>Net cash used in operating activities</b>		<b>(142,203,799)</b>	(68,812,359)
<b>Cash flow from investing activities</b>			
Investment in musharikhah-net		122,052,956	(6,081,079)
Proceeds from disposal of fixed assets		-	58,000
Purchase of fixed assets in own use	<b>5.2</b>	(351,637)	(1,559,174)
Net cash generated from / (used in) investing activities		<b>121,701,319</b>	(7,582,253)
<b>Cash flow from financing activities</b>			
Musharikhah finances-net		35,603,121	87,093,801
Redeemable capital-net		(31,983,631)	8,000,000
Profit distributed among the certificate holders		(7,716)	(14,957,786)
<b>Net cash generated from financing activities</b>		<b>3,611,774</b>	80,136,015
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(16,890,706)</b>	3,741,403
<b>Cash and cash equivalents at the beginning of the year</b>		<b>43,024,878</b>	47,169,012
<b>Cash and cash equivalents at the end of the year</b>		<b>26,134,172</b>	50,910,415

The attached notes 1 to 24 form an integral part of these unconsolidated condensed interim financial statements.

**For Punjab Modaraba Services (Private) Limited  
(Modaraba Management Company)**

Chief Executive  
Punjab Modaraba Services  
(Private) Limited

Chief Financial officer  
Punjab Modaraba Services  
(Private) Limited

Director  
Punjab Modaraba Services  
(Private) Limited

Director  
Punjab Modaraba Services  
(Private) Limited



## NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 December 2018

### 1 Status and nature of business

First Punjab Modaraba (the Modaraba) was formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and rules framed thereunder and is managed by Punjab Modaraba Services (Private) Limited (wholly owned subsidiary of The Bank of Punjab), a company incorporated in Pakistan. The registered office of the Modaraba is situated at 4th Floor, Mega Tower, Gulberg II, Lahore. The Modaraba commenced its operations from 23 December 1992. The Modaraba is listed on Pakistan Stock Exchange.

The Modaraba established its wholly owned subsidiary on 29 November 2016 as a private limited Company under the name of Punjab Capital Securities (Pvt) Limited. The Company is mainly engaged in the business of brokerage services, portfolio management and consultancy services.

The Modaraba is a perpetual, multi purpose and multi dimensional modaraba and is primarily engaged in the business of ijarah, musharika and morabaha financing, equity investment and other related business in accordance with the injunctions of Islam.

These condensed financial statements are the separate condensed financial statements of the Modaraba in which investments in subsidiary are accounted for on the basis of direct equity interest rather than on the basis of reported results. Consolidated condensed financial statements are prepared separately.

### 2 Basis of preparation

These unconsolidated condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Ordinance, 1984, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and the directives issued by SECP differ with the requirements of IFRSs or IFAS, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 or the directives issued by the SECP prevail.

These un-audited unconsolidated condensed interim financial statements of the Modaraba for the period ended 31 December 2019 have been prepared in accordance with the requirements of the International Accounting Standard (IAS) - 34 " Interim Financial Reporting". These unconsolidated condensed interim financial statements does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Modaraba for the year ended 30 June 2019.

These unconsolidated condensed interim financial statements are being submitted to the certificate holders as required under the Rule 10 of Modaraba Companies and Modaraba Rules, 1981.



### 3 Significant accounting policies

"The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended 30 June 2019, except as follows:

New / Revised Standards, Interpretations and Amendments

The Modaraba has adopted the following amendments and interpretation of IFRSs which became effective for the current period:

- IFRIC 23- Uncertainty over Income Tax Treatments
- IFRS 9 - Prepayment Features with Negative Compensation – (Amendments)
- IAS 28 - Long-term Interests in Associates and Joint Ventures – (Amendments)
- IAS 19 - Plan Amendment, Curtailment or Settlement – (Amendments)
- IFRS 3 - Business Combinations - Previously held Interests in a joint operation – (Amendments)
- IFRS 11 - Joint Arrangements - Previously held Interests in a joint operation
- IAS 12 - Income Taxes - Income tax consequences of payments on financial instruments classified as equity
- IAS 23 - Borrowing Costs - Borrowing costs eligible for capitalization
- IFRS 16 - Leases

The adoption of the above revision, amendments and interpretations of the standards did not have any material effect on the condensed interim financial statements. Such change does not financially impact these unconsolidated condensed interim financial statements.

In addition to the above standards and interpretations, improvements to various accounting standards have also been issued by the IASB and are generally effective for current period. The Modaraba expects that such improvements to the standards do not have any material impact on the Modaraba 's unconsolidated condensed interim financial statements for the period."

### 4 Significant accounting estimates and judgements

The preparation of these unconsolidated condensed interim financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Modaraba's accounting policies and the key sources of estimation were the same as those that were applied to the financial statements for year ended 30 June 2019.

	<b>Note</b>	<b>31 December 2019 (Un-Audited) Rupees</b>	<b>30 June 2019 (Audited) Rupees</b>
<b>5 Tangible fixed assets</b>			
Ijarah assets	<b>5.1</b>	<b>518,825,924</b>	363,711,083
Assets in own use	<b>5.2</b>	<b>3,350,156</b>	3,338,201
		<b>522,176,080</b>	367,049,284



## 5.1 Ijarah assets

December 2019 (Un-Audited)

Description	COST		DEPRECIATION			IMPAIRMENT			NET BOOK VALUE		Depreciation Rate	As per term
	As at 1 July 2019	As at 31 Dec 2019	As at 1 July 2019	Charge for the period	Transfer	As at 31 Dec 2019	Reversal for the period	Transfer	As at 31 Dec 2019	As at 31 Dec 2019		
Plant and machinery	642,228,970	562,800,505	513,460,204	4,995,780	(80,548,306)	437,907,678	20,593,102	-	20,593,102	104,299,725	As per term	
Vehicle	394,616,063	207,193,536	150,684,139	28,772,878	(37,727,467)	141,729,550	1,104,397	-	1,104,397	395,228,652	As per term	
Cessna aircraft	13,552,604	-	13,552,604	-	-	13,552,604	-	-	-	-	As per term	
Consumer products	24,103,475	13,118,000	(2,043,300)	35,178,175	11,395,583	5,764,665	(1,279,620)	15,880,628	-	19,297,547	As per term	
	1,074,501,112	226,759,841	(151,667,070)	1,149,593,883	689,092,530	39,533,323	(119,555,393)	609,070,460	21,697,499	518,825,924		

June - 2019 (Audited)

Description	COST		DEPRECIATION			IMPAIRMENT			NET BOOK VALUE		Depreciation Rate	As per term
	As at 1 July 2018	As at 30 June 2019	As at 1 July 2018	Charge for the year	Transfer	As at 30 June 2019	Reversal for the year	Transfer	As at 30 June 2019	As at 30 June 2019		
Plant and machinery	641,915,470	2,343,000	(2,029,500)	9,763,465	(1,834,373)	513,460,204	29,593,102	(9,000,000)	-	20,593,102	108,175,664	As per term
Vehicle	220,786,051	194,220,797	(20,390,785)	42,581,925	(2,416,715)	150,684,139	1,104,397	-	1,104,397	242,827,527	As per term	
Cessna aircraft	13,552,604	-	-	-	-	13,552,604	-	-	-	-	-	As per term
Consumer products	20,608,226	14,021,402	(10,526,153)	24,103,475	10,824,297	10,044,845	(9,473,559)	11,395,583	-	12,707,892	As per term	
	896,862,351	210,585,199	(62,946,438)	62,390,236	(13,724,647)	689,092,530	30,697,499	(9,000,000)	-	21,697,499	363,711,083	

**5.1.1** Transfers represent the assets disposed through negotiation after expiry / termination of Ijarah. However, in view of large number of disposals, detail of each disposal has not been given.

**5.1.2** The Gross Carrying amount (cost) of fully depreciated assets that are still in use amounts to Rs. 549,958,201 (30 June 2019 : Rs. 634,195,971).

**5.1.3** Impairment is reversed on the basis of recovery made from classified party and in accordance with Prudential regulations issued by Securities and Exchange Commission of Pakistan.



# First Punjab Modaraba

## 5.2 Assets in own use

December 2019 (Un-Audited)									
Description	COST			DEPRECIATION			NET BOOK VALUE		
	As at 1 July 2019	Additions	Disposal	As at 1 July 2019	Charge for the period	Disposal	As at 31 Dec 2019	As at 31 Dec 2019	Depreciation Rate
	-----Rupees-----								
Office Equipment	2,585,910	-	-	1,862,471	167,488	-	2,029,959	555,951	15% & 30%
Furniture & Fixtures	1,976,956	351,637	-	1,127,236	107,233	-	1,234,469	1,094,124	15%
Vehicles	2,174,400	-	-	409,358	64,961	-	474,319	1,700,081	20%
	<b>6,737,266</b>	<b>351,637</b>	<b>-</b>	<b>3,399,065</b>	<b>339,682</b>	<b>-</b>	<b>3,738,747</b>	<b>3,350,156</b>	
June 2019 (Audited)									
Description	COST			DEPRECIATION			NET BOOK VALUE		
	As at 1 July 2018	Additions	Disposal	As at 1 July 2018	Charge for the year	Disposal	As at 30 June 2019	As at 30 June 2019	Depreciation Rate
	-----Rupees-----								
Office Equipment	2,449,802	271,408	(135,300)	1,661,704	311,850	(111,083)	1,862,471	723,439	15% & 30%
Furniture & Fixtures	1,976,956	-	-	913,667	213,569	-	1,127,236	849,720	15%
Vehicles	801,900	1,372,500	-	163,727	245,631	-	409,358	1,765,042	20%
	<b>5,228,658</b>	<b>1,643,908</b>	<b>(135,300)</b>	<b>2,739,098</b>	<b>771,050</b>	<b>(111,083)</b>	<b>3,399,065</b>	<b>3,338,201</b>	

**5.2.1** The Gross Carrying amount (cost) of fully depreciated assets that are still in use amounts to Rs. 1,650,379 (30 June 2019 : Rs. 1,459,609).



## 6 Investment in subsidiary

As a result of Stock Exchange (Corporatization, Demutualization and Integration) Act 2012, the Modaraba acquired Trading Rights Entitlement Certificate (TREC) and the subsidiary has been setup to undertake brokerage business and thereby utilize the TREC. The Modaraba obtained permission from SECP vide letter dated October 21, 2016 to form a wholly owned subsidiary to undertake brokerage business and the subsidiary was incorporated on November 29, 2016. During the period, total investment in Subsidiary remained at Rs. 76,500,000 (December 2018: Rs. 76,500,000).

	<b>Note</b>	<b>31 December 2019 (Un-audited) Rupees</b>	<b>30 June 2019 (Audited) Rupees</b>
<b>7 Long term musharikhah investment - secured</b>			
Long term musharikhah investment		<b>744,396,674</b>	866,449,630
Less: Current portion of long term musharikhah investment	<b>10</b>	<b>(430,983,000)</b>	(483,692,615)
		<b>313,413,674</b>	382,757,015
<b>8 Long term morabaha investment - secured</b>			
Long term morabaha investment		<b>18,380,704</b>	20,036,259
Add: Unearned morabaha income		<b>2,930,170</b>	2,232,204
		<b>21,310,874</b>	22,268,463
Less: Current portion of long term morabaha investment	<b>10</b>	<b>(13,891,812)</b>	(11,799,993)
Less: Current portion of unearned morabaha income	<b>10</b>	<b>(1,521,596)</b>	(1,415,344)
		<b>5,897,466</b>	9,053,126
<b>9 Short term morabaha investment-secured</b>			
Short term morabaha Investment		<b>549,314,513</b>	525,782,308
Add: Unearned morabaha income		<b>7,109,074</b>	4,575,612
		<b>556,423,587</b>	530,357,920
Less: Provision for doubtful morabaha investment		<b>(235,561,379)</b>	(235,561,379)
		<b>320,862,208</b>	294,796,541
<b>10 Current maturity of long term investment</b>			
Current portion of long term musharikhah investment		<b>430,983,000</b>	483,692,615
Less: Provision against musharika investment		<b>(5,199,813)</b>	(8,709,526)
		<b>425,783,187</b>	474,983,089
Current portion of long term morabaha investment		<b>13,891,812</b>	11,799,993
Add: Unearned morabaha income		<b>1,521,596</b>	1,415,344
Less: Provision against morabaha investment		<b>(8,800,000)</b>	(8,800,000)
		<b>6,613,408</b>	4,415,337
		<b>432,396,595</b>	479,398,426



## 11 Long term musharikhah finance - secured

The Modaraba has availed musharikhah finance facilities from The Bank of Punjab having approved limits of Rs. 1,585 million (2019: Rs. 1,585 million) maturing latest by 31 October 2020. These facilities are secured by way of first pari passu charge over present and future fixed assets of Modaraba for amount of Rs. 860 million, first pari passu charge over present and future current assets of Modaraba for an amount of Rs. 1,040 million and ranking charge over present and future current assets for an amount of Rs. 860 million. The estimated share of profit payable on musharikhah facilities is 3 month KIBOR per annum (2019: 3 month KIBOR per annum).

	<b>31 December 2019 (Un-audited) Rupees</b>	<b>30 June 2019 (Audited) Rupees</b>
<b>12 Profit payable</b>		
Musharikhah finance	<b>42,693,687</b>	34,609,950
Redeemable capital	<b>5,963,968</b>	6,161,700
	<b>48,657,655</b>	40,771,650

## 13 Contingencies and commitments

### 13.1 Contingencies

There are no significant changes in contingent liabilities since the last published financial statements as at 30 June 2019.

### 13.2 Commitments

**13.2.1** Ijarah commitments approved but not disbursed as on balance sheet date amount to Rs. 0.16 million (30 June 2019: Nil).

**13.2.2** Musharikhah commitments approved but not disbursed as on balance sheet date amount to Rs.79.53 million (30 June 2019: Rs. 10.85 million).





		<b>Six months ended</b>	
		<b>31 December 2019 (Un-audited) Rupees</b>	<b>31 December 2018 (Un-audited) Rupees</b>
<b>14</b>	<b>Administrative expenses</b>		
	Salaries and benefits	<b>11,323,383</b>	11,525,787
	Traveling and conveyance	<b>93,578</b>	81,865
	Depreciation - owned asset	<b>339,682</b>	379,495
	Legal and professional	<b>286,386</b>	393,370
	Printing and stationary	<b>577,516</b>	325,113
	Insurance	<b>122,178</b>	129,784
	Fee and subscription	<b>759,413</b>	781,926
	Auditor's remuneration	<b>235,000</b>	232,470
	Repair and maintenance	<b>630,166</b>	226,886
	Vehicle running and maintenance	<b>52,054</b>	245,485
	Power and utilities	<b>575,617</b>	519,697
	Entertainment expenses	<b>472,479</b>	203,738
	Advertisement	<b>52,600</b>	-
	Telephone and postage	<b>435,493</b>	182,555
	Corporate expenses	<b>355,860</b>	263,096
	Rent rates and taxes	<b>5,140</b>	-
	Selling and marketing expenses	<b>639,112</b>	757,133
	Miscellaneous expenses	<b>70,513</b>	427,173
		<b>17,026,170</b>	16,675,573
<b>15</b>	<b>Finance cost</b>		
	Financial charges on musharikhah	<b>82,586,268</b>	45,636,418
	Financial charges on redeemable capital	<b>26,532,554</b>	16,186,896
	Bank charges	<b>64,608</b>	31,754
		<b>109,183,430</b>	61,855,068
<b>16</b>	<b>Earning per certificate</b>		
	<b>16.1 Basic</b>		
	Basic earnings per certificate are calculated by dividing the net profit for the year by the weighted average number of certificates outstanding during the year as follows:		
		<b>Six months ended</b>	
		<b>31 December 2019 (Un-audited) Rupees</b>	<b>31 December 2018 (Un-audited) Rupees</b>
	Profit for the year	<b>1,673,731</b>	9,239,010
	Weighted average number of ordinary certificates	<b>34,020,000</b>	34,020,000
	Earning per certificate	<b>0.05</b>	0.27



## 16.2 Diluted

No figure for diluted earnings per certificate has been presented as the Modaraba has not issued any instruments which would have an impact on earnings per certificate when exercised.

		<b>Six months ended</b>	
		<b>31 December 2019 (Un-audited) Rupees</b>	<b>31 December 2018 (Un-audited) Rupees</b>
<b>17</b>	<b>Cash flow from operating activities</b>		
	Profit for the period	<b>2,016,543</b>	11,131,337
	Adjustments for:		
	Depreciation of ijarah assets	<b>5.1 39,533,323</b>	27,212,280
	Depreciation of assets in own use	<b>5.2 339,682</b>	379,495
	Gain on disposal of Ijarah assets	<b>(1,591,635)</b>	(19,447)
	Gain on disposal of owned assets	-	(39,100)
	Gain on disposal of non-banking assets	<b>(250,000)</b>	(525,000)
	Gain/loss on disposal of musharikhah investment	-	(4,083,831)
	Reversal for impairment of ijarah assets	-	(12,872,346)
	(Reversal) / Provision for musharikhah investment	<b>(3,509,713)</b>	4,947,175
	Financial charges on musharikhah finances	<b>82,586,268</b>	45,636,418
	Financial charges on redeemable capital	<b>26,532,554</b>	16,218,650
		<b>143,640,479</b>	76,854,294
	<b>Operating profit before working capital changes</b>	<b>145,657,022</b>	87,985,630
	<b>Working capital changes</b>		
	(Increase)/decrease in operating assets:		
	Morabaha investment	<b>(17,327,290)</b>	(14,423,335)
	Purchase of assets under ijarah arrangements	<b>(226,759,841)</b>	(115,959,873)
	Proceeds from transfer of ijarah assets	<b>33,703,312</b>	1,572,610
	Ijarah Rental Receivable - net	<b>28,428,341</b>	807,088
	Long term deposits	-	-
	Advances, deposits, prepayments and other receivables	<b>(9,305,559)</b>	24,377,574
		<b>(191,261,037)</b>	(103,625,936)
	Increase/(decrease) in operating liabilities:		
	Security deposits - net	<b>2,951,119</b>	16,319,680
	Trade and other payables	<b>2,098,997</b>	(13,910,185)
		<b>5,050,116</b>	2,409,495
	<b>Net changes in operating assets and operating liabilities</b>	<b>(186,210,921)</b>	(101,216,441)
	<b>Cash used in operating activities</b>	<b>(40,553,899)</b>	(13,230,812)



## 18 Transactions with related parties

The related parties and associated undertakings comprise of The Bank of Punjab, Punjab Modaraba Services (Private) Limited and Punjab Capital Securities (Private) Limited. Transactions with related parties and associated undertakings other than remuneration and benefits to key management personnel under the term of employment are as follows:

<b>18.1 Balance outstanding at the end of year</b>	<b>31 December 2019 (Un-audited) Rupees</b>	<b>30 June 2019 (Audited) Rupees</b>
<b>18.1.1 The Bank of Punjab (Holding company of Modaraba's Management Company)</b>		
Musharikhah finances	<b>1,259,224,690</b>	1,223,621,569
Profit payable on musharikhah finances	<b>42,693,687</b>	34,609,950
Certificates of musharikhah	<b>400,000,000</b>	400,000,000
Profit payable on certificates of musharikhah	<b>5,738,569</b>	5,936,301
<b>18.1.3 Punjab Capital Securities (Private) Limited (Subsidiary Company)</b>		
Investment in shares	<b>76,500,000</b>	76,500,000
	<b>Six months ended</b>	
	<b>31 December 2019 (Un-audited) Rupees</b>	<b>31 December 2018 (Un-audited) Rupees</b>
<b>18.2 Transactions during the period</b>		
<b>18.2.1 The Bank of Punjab (Holding company of Modaraba's Management Company)</b>		
Bank charges	<b>64,608</b>	31,754
Profit charged on finances	<b>82,586,268</b>	45,636,418
Profit charged on certificates of Musharikhah	<b>25,502,208</b>	16,186,896
<b>Punjab Modaraba Services (Pvt.) Limited (Management Company)</b>		
Profit distribution	-	6,660,347



**19 Reconciliation of liabilities arising from financing activities**

	Audited 30 June 2019	Availed / Announced	Repaid / Redeemed	Un-audited 31 December 2019
----- (Rupees) -----				
Long Term Musharikah Finance	1,223,621,569	798,100,000	(762,496,879)	1,259,224,690
Dividend Payable	17,557,378	-	(7,716)	17,549,662
Redeemable Capital	445,518,493	415,016,369	(447,000,000)	413,534,862
	<u>1,686,697,440</u>	<u>1,213,116,369</u>	<u>(1,209,504,597)</u>	<u>1,690,309,214</u>

**20 Fair value of financial instruments**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying amounts of all the financial instruments reflected in these financial statements approximate to their fair value. Accordingly, detailed disclosure with reference to fair value has not been given.

**21 Financial risk management**

The Modaraba’s financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2019.

**22 Date of authorization**

This unaudited condensed interim financial statements for the six months ended 31 December 2019 was authorized for issue by the Board of Directors of the Management Company on February 28, 2020.

**23 Corresponding figures**

Corresponding figures have been rearranged or reclassified wherever necessary for the purpose of comparison and better presentation. However, no significant reclassifications have been made during the year except as given below:

Description	From	To	2018 (Rupees)
Depreciation against Ijarah Assets	Depreciation of Ijarah Assets	Income from Ijarah Rentals	27,212,279

**24 General**

Figures have been rounded off to the nearest rupees unless otherwise provided.

**Chief Executive**  
Punjab Modaraba Services  
( Private ) Limited

**Chief Financial officer**  
Punjab Modaraba Services  
( Private ) Limited

**Director**  
Punjab Modaraba Services  
( Private ) Limited

**Director**  
Punjab Modaraba Services  
( Private ) Limited



**CONSOLIDATED  
FINANCIAL INFORMATION**  
for the six months ended  
December 31, 2019



# First Punjab Modaraba

## Consolidated Balance Sheet UN AUDITED

As at December 31, 2019

### ASSETS

#### Non current assets

	Note	31 December 2019 (Un-Audited) Rupees	30 June 2019 (Audited) Rupees
Tangible fixed assets			
- Ijarah assets	5.1	518,825,924	363,711,083
- Assets in own use	5.2	4,706,881	4,803,650
Intangible assets		6,765,726	6,765,726
Long Term Investment		19,155,066	19,155,066
Long term musharikhah investment - secured	7	313,413,674	382,757,015
Long term morabaha investment - secured	8	5,897,466	9,053,126
Long term deposits		2,281,853	2,281,853
Deferred tax asset		64,398,663	64,398,663
		<b>935,445,253</b>	<b>852,926,182</b>

#### Current assets

Short term morabaha investment - secured	9	320,862,208	294,796,541
Current maturity of long term investment	10	432,396,595	479,398,426
Ijarah rental receivable		271,734,525	300,162,866
Trade Receivable		3,319,328	6,535,096
Advances, deposits, prepayments and other receivables		129,104,037	118,634,000
Tax refund due from government		6,585,438	5,871,699
Cash and bank balances		65,407,015	77,720,149
		<b>1,229,409,146</b>	<b>1,283,118,777</b>
<b>TOTAL ASSETS</b>		<b>2,164,854,399</b>	<b>2,136,044,959</b>

### EQUITY AND LIABILITIES

Authorized certificate capital			
50,000,000 (30 June 2019: 50,000,000) modaraba certificates of Rs. 10 each		500,000,000	500,000,000
Issued, subscribed and paid-up certificate capital			
34,020,000 (30 June 2019: 34,020,000) certificates of Rs. 10 each		340,200,000	340,200,000
Capital reserves		216,692,528	216,692,528
Fair Value Reserve		8,846,368	8,846,368
Revenue reserves		(378,227,327)	(379,965,427)
		<b>187,511,569</b>	<b>185,773,469</b>

#### Non current liabilities

Long term security deposits		64,035,109	51,453,730
Deferred morabaha income		8,557,648	776,860
Long term musharikhah finance - secured	11	1,259,224,690	1,223,621,569
		<b>1,331,817,447</b>	<b>1,275,852,159</b>

#### Current liabilities

Current maturity of non current liabilities		85,549,471	95,179,731
Redeemable capital - participatory and unsecured		413,534,862	445,518,493
Profit payable	12	48,657,655	40,771,650
Trade and other payables		78,626,266	74,174,754
Provision for taxation		1,607,467	1,217,325
Unclaimed profit		17,549,662	17,557,378
		<b>645,525,383</b>	<b>674,419,331</b>

### TOTAL EQUITY AND LIABILITIES

#### CONTINGENCIES AND COMMITMENTS

The attached notes 1 to 23 form an integral part of these consolidated condensed interim financial statements.

**For Punjab Modaraba Services (Private) Limited  
(Modaraba Management Company)**

Chief Executive  
Punjab Modaraba Services  
(Private) Limited

Chief Financial officer  
Punjab Modaraba Services  
(Private) Limited

Director  
Punjab Modaraba Services  
(Private) Limited

Director  
Punjab Modaraba Services  
(Private) Limited



**Consolidated Profit and Loss Account(Un-Audited)**

For the six months ended December 31, 2019

	2019		2018	
	Six months Ended 31 December	Three months Ended 31 December	Six months Ended 31 December	Three months Ended 31 December
----- (Rupees) -----				
<b>Income</b>				
Income from ijarah rentals	37,783,382	27,791,876	23,806,622	13,255,752
Income from morabaha financing	9,148,147	5,386,788	2,510,655	885,335
Income from diminishing musharaka financing	71,241,173	36,804,792	43,646,219	18,924,288
Income from Brokrage	3,786,432	2,445,584	5,073,804	2,741,497
Gain on disposal of fixed assets	1,591,635	1,193,030	4,667,378	3,452,602
Other income	7,575,735	5,589,842	9,269,206	7,357,411
	<b>131,126,504</b>	<b>79,211,912</b>	88,973,884	46,616,885
<b>Expenses</b>				
Administrative expenses	14 23,317,118	11,699,425	22,784,440	11,354,977
Finance cost	15 109,190,857	55,582,560	61,858,672	34,091,323
	<b>132,507,975</b>	<b>67,281,985</b>	84,643,112	45,446,300
<b>Operating (loss) / profit before provision</b>	<b>(1,381,471)</b>	<b>11,929,927</b>	4,330,772	1,170,585
Reversal for impairment of ijarah assets	-	-	12,872,346	8,448,862
Reversal / (Provision) for musharakah investment	3,509,713	-	(4,947,175)	(4,947,175)
	<b>3,509,713</b>	-	7,925,171	3,501,687
Operating profit after provision and impairment	<b>2,128,242</b>	<b>11,929,927</b>	12,255,943	4,672,272
Modaraba Company's management fee	-	-	-	-
	<b>2,128,242</b>	<b>11,929,927</b>	12,255,943	4,672,272
Taxation	(390,142)	(4,015,288)	(1,949,407)	(2,160,144)
Profit for the period	<b>1,738,100</b>	<b>7,914,639</b>	10,306,536	2,512,128
Earnings per certificate - basic and diluted	<b>0.05</b>	<b>0.23</b>	0.30	0.07

The attached notes 1 to 23 form an integral part of these unconsolidated condensed interim financial statements.

**For Punjab Modaraba Services (Private) Limited  
(Modaraba Management Company)**

Chief Executive  
Punjab Modaraba Services  
(Private) Limited

Chief Financial officer  
Punjab Modaraba Services  
(Private) Limited

Director  
Punjab Modaraba Services  
(Private) Limited

Director  
Punjab Modaraba Services  
(Private) Limited



**Consolidated Statement of Comprehensive Income (Un-Audited)**

For the six months ended December 31, 2019

Note	2019		2018	
	Six months Ended 31 December	Three months Ended 31 December	Six months Ended 31 December	Three months Ended 31 December
----- (Rupees) -----				
<b>Income</b>				
Income for the year	<b>1,738,100</b>	<b>7,914,639</b>	10,306,536	2,512,128
Other Comprehensive Income for the period	-	-	675,000	-
<b>Total comprehensive income for the period</b>	<b>1,738,100</b>	<b>7,914,639</b>	<b>10,981,536</b>	<b>2,512,128</b>

The attached notes 1 to 23 form an integral part of these consolidated condensed interim financial statements.

**For Punjab Modaraba Services (Private) Limited  
(Modaraba Management Company)**

**Chief Executive**  
Punjab Modaraba Services  
(Private) Limited

**Chief Financial officer**  
Punjab Modaraba Services  
(Private) Limited

**Director**  
Punjab Modaraba Services  
(Private) Limited

**Director**  
Punjab Modaraba Services  
(Private) Limited





## Consolidated Statement of Changes in Equity (Un-Audited)

For the six months ended December 31, 2018

	Capital Reserve		Revenue Reserve		Total
	Certificate capital	Fair Value reserve	Statutory reserve	Accumulated loss	
-----Rupees-----					
<b>Balance as at 01 July 2018</b>	340,200,000	-	211,960,411	(365,244,416)	186,915,995
Profit for the period	-	-	-	10,306,536	10,306,536
Other comprehensive income for the period	-	-	-	675,000	675,000
Total comprehensive income for the period	-	-	-	10,981,536	10,981,536
Transactions with owners					
Profit distribution for the year ended 30 June 2018 at Rs. 0.5 per certificate	-	-	-	(17,010,000)	(17,010,000)
<b>Balance as at 31 December 2018</b>	<u>340,200,000</u>	<u>-</u>	<u>211,960,411</u>	<u>(371,272,880)</u>	<u>180,887,531</u>
<b>Balance as at 01 July 2019</b>	340,200,000	8,846,368	216,692,528	(379,965,427)	185,773,469
Profit for the period	-	-	-	1,738,100	1,738,100
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,738,100	1,738,100
<b>Balance as at 31 December 2019</b>	<u><b>340,200,000</b></u>	<u><b>8,846,368</b></u>	<u><b>216,692,528</b></u>	<u><b>(378,227,327)</b></u>	<u><b>187,511,569</b></u>

The attached notes 1 to 23 form an integral part of these unconsolidated condensed interim financial statements.

### For Punjab Modaraba Services (Private) Limited (Modaraba Management Company)

Chief Executive  
Punjab Modaraba Services  
(Private) Limited

Chief Financial officer  
Punjab Modaraba Services  
(Private) Limited

Director  
Punjab Modaraba Services  
(Private) Limited

Director  
Punjab Modaraba Services  
(Private) Limited



## Consolidated Cash Flow Statement (Un-Audited)

For the six months ended December 31, 2018

ASSETS	Note	31 December 2019 (Un-audited) Rupees	31 December 2018 (Un-audited) Rupees
<b>Cash flow from operating activities</b>			
<b>Cash used in operating activities</b>	16	<b>(35,641,873)</b>	<b>(38,112,391)</b>
Profit paid on redeemable capital		<b>(26,730,286)</b>	(14,594,769)
Profit paid on musharikhah finances		<b>(74,502,531)</b>	(38,708,999)
Taxes paid		<b>(713,738)</b>	(3,014,233)
		<b>(101,946,555)</b>	(56,318,001)
<b>Net cash used in operating activities</b>		<b>(137,588,428)</b>	(94,430,391)
<b>Cash flow from investing activities</b>			
Investment in musharikhah-net		<b>122,052,956</b>	(6,081,079)
Proceeds from disposal of fixed assets		-	58,000
Purchase of fixed assets in own use	5.2	<b>(389,437)</b>	(1,559,174)
<b>Net cash generated from / (used in) investing activities</b>		<b>121,663,519</b>	(7,582,253)
<b>Cash flow from financing activities</b>			
Musharikhah finances-net		<b>35,603,121</b>	87,093,801
Redeemable capital-net		<b>(31,983,631)</b>	8,000,000
Profit distributed among the certificate holders		<b>(7,716)</b>	(14,957,786)
<b>Net cash generated from financing activities</b>		<b>3,611,774</b>	80,136,015
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(12,313,135)</b>	(21,876,629)
<b>Cash and cash equivalents at the beginning of the year</b>		<b>77,720,149</b>	78,128,117
<b>Cash and cash equivalents at the end of the year</b>		<b>65,407,015</b>	56,251,489

The attached notes 1 to 23 form an integral part of these consolidated condensed interim financial statements.

**For Punjab Modaraba Services (Private) Limited  
(Modaraba Management Company)**

**Chief Executive**  
Punjab Modaraba Services  
(Private) Limited

**Chief Financial officer**  
Punjab Modaraba Services  
(Private) Limited

**Director**  
Punjab Modaraba Services  
(Private) Limited

**Director**  
Punjab Modaraba Services  
(Private) Limited



## Notes to the Consolidated Financial Information (Un-audited)

For the six months ended December 31, 2019

### 1 THE GROUP AND ITS OPERATIONS

#### 1.1 The "Group" Consist of :

Parent

- First Punjab Modaraba

Subsidiary Company	Percentage of holding	
	2019	2018
Punjab Capital Securities (Pvt.) Limited	100%	100%

First Punjab Modaraba (the Modaraba) was formed under the Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980 and rules framed there under and is managed by Punjab Modaraba Services (Private) Limited (wholly owned subsidiary of The Bank of Punjab), a company incorporated in Pakistan. The registered office of the Modaraba is situated at 3rd floor, National Tower, Egerton Road, Lahore. The Modaraba commenced its operations on 23 December 1992. The Modaraba is listed on Pakistan Stock Exchange.

The Modaraba is a perpetual and multi-dimensional Modaraba and is primarily engaged in the business of Ijarah, Musharikhah and Morabaha financing, equity investment and other related businesses in accordance with the injunctions of Islam.

#### Punjab Capital Securities (Private) Limited

The Punjab Capital Securities (Private) Limited ("the Company") is registered under the repealed Companies Ordinance, 1984 (which is replaced by Companies Act 2017) as a company limited by shares on the 29th day of November 2016. The Company is mainly engaged in business of brokerage services, portfolio management and consultancy services. The registered office of the Company is situated at Room No 319, 3<sup>rd</sup> Floor, Lahore stock exchange (LSE) Building, Lahore.

### 2 Basis of preparation

The Group Financial Statements include the Financial Statements of the Modaraba and its subsidiary.

Subsidiary are fully consolidated from the date on which control is transferred to the Modaraba. They are deconsolidated from the date that control ceases. The financial statements of subsidiary have been consolidated on line by line basis. All significant inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognized in assets are also eliminated.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Modaraba recognizes any non-controlling interest in the acquiree on an acquisition- by-acquisition basis, at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets. The Financial Statements of the Modaraba and its subsidiary are prepared upto the same reporting date using consistent accounting policies.

Any contingent consideration to be transferred by the Modaraba is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.



Goodwill, if any, is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in income statement. After initial recognition, is measured at carrying value i.e. cost at the date of acquisition less any accumulated impairment.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Modaraba had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

### **Non-controlling interest**

The Group applies a policy of treating transactions with non- controlling interests as transaction with parties external to the Group. Disposals of non-controlling interests results in gain and losses for the Group that are recorded in the profit and loss account.

These consolidated condensed interim financial statements are being submitted to the certificate holders as required under the Rule 10 of Modaraba Companies and Modaraba Rules, 1981.

## **3 Significant accounting policies**

“The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended 30 June 2019, except as follows:

New / Revised Standards, Interpretations and Amendments

The Modaraba has adopted the following amendments and interpretation of IFRSs which became effective for the current period:

- IFRIC 23 - Uncertainty over Income Tax Treatments
- IFRS 9 - Prepayment Features with Negative Compensation – (Amendments)
- IAS 28 - Long-term Interests in Associates and Joint Ventures – (Amendments)
- IAS 19 - Plan Amendment, Curtailment or Settlement – (Amendments)
- IFRS 3 - Business Combinations - Previously held Interests in a joint operation – (Amendments)
- IFRS 11 - Joint Arrangements - Previously held Interests in a joint operation
- IAS 12 - Income Taxes - Income tax consequences of payments on financial instruments classified as equity
- IAS 23 - Borrowing Costs - Borrowing costs eligible for capitalization
- IFRS 16 - Leases

The adoption of the above revision, amendments and interpretations of the standards did not have any material effect on the condensed interim financial statements. Such change does not



financially impact these consolidated condensed interim financial statements.

In addition to the above standards and interpretations, improvements to various accounting standards have also been issued by the IASB and are generally effective for current period. The Modaraba expects that such improvements to the standards do not have any material impact on the Modaraba 's consolidated condensed interim financial statements for the period."

#### 4 Significant accounting estimates and judgements

The preparation of these consolidated condensed interim financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Modaraba's accounting policies and the key sources of estimation were the same as those that were applied to the financial statements for year ended 30 June 2019.

		<u>31 December</u> <b>2019</b>	<u>30 June</u> <b>2019</b>
	<b>Note</b>	<b>(Un-audited)</b> <b>Rupees</b>	<b>(Audited)</b> <b>Rupees</b>
<b>5 Tangible fixed assets</b>			
Ijarah assets	5.1	<b>518,825,924</b>	363,711,083
Assets in own use	5.2	<b>4,706,894</b>	4,803,666
		<b>523,532,818</b>	368,514,749



**5.1 Ijarah assets**

December 2019 (Un-Audited)

Description	COST			DEPRECIATION			IMPAIRMENT			NET BOOK VALUE		Depreciation Rate
	As at 1 July 2019	As at 31 Dec 2019	As at 1 July 2019	Charge for the period	Transfer	As at 31 Dec 2019	Reversal for the period	Transfer	As at 31 Dec 2019	As at 31 Dec 2019		
Plant and machinery	642,228,970	562,800,505	513,460,204	4,995,780	(80,548,306)	437,907,678	-	-	20,593,102	104,299,725	As per term	
Vehicle	394,616,063	538,062,599	150,684,139	28,596,898	(37,727,467)	141,553,570	-	-	1,104,397	395,404,632	As per term	
Cessna aircraft	13,552,604	-	13,552,604	-	-	13,552,604	-	-	-	-	As per term	
Consumer products	24,103,475	13,118,000	(2,043,300)	35,178,175	(1,279,620)	15,880,628	-	-	-	19,297,547	As per term	
	1,074,501,112	(151,667,070)	1,149,593,883	689,092,530	(119,555,393)	609,070,460	-	-	21,697,499	518,825,924		

June - 2019 (Audited)

Description	COST			DEPRECIATION			IMPAIRMENT			NET BOOK VALUE		Depreciation Rate
	As at 1 July 2018	As at 30 June 2019	As at 1 July 2018	Charge for the year	Transfer	As at 30 June 2019	Reversal for the year	Transfer	As at 30 June 2019	As at 30 June 2019		
Plant and machinery	641,915,470	2,343,000	(2,029,500)	642,228,970	505,531,112	9,763,465	(1,834,373)	513,460,204	29,593,102	108,175,664	As per term	
Vehicle	220,786,051	194,220,797	(20,390,785)	394,616,063	110,518,929	42,581,925	(2,416,715)	150,684,139	1,104,397	242,827,527	As per term	
Cessna aircraft	13,552,604	-	-	13,552,604	13,552,604	-	-	-	-	-	As per term	
Consumer products	20,608,226	14,021,402	(10,526,153)	24,103,475	10,824,297	10,044,845	(9,473,559)	11,395,583	-	12,707,892	As per term	
	896,862,351	210,585,199	(32,946,438)	1,074,501,112	640,426,942	62,390,236	(13,724,647)	689,092,530	30,697,499	363,711,083		

**5.1.1** Transfers represent the assets disposed through negotiation after expiry / termination of Ijarah. However, in view of large number of disposals, detail of each disposal has not been given.

**5.1.2** The Gross Carrying amount (cost) of fully depreciated assets that are still in use amounts to Rs. 549,958,201 (30 June 2019 : Rs. 634,195,971).

**5.1.3** Impairment is reversed on the basis of recovery made from classified party and in accordance with Prudential regulations issued by Securities and Exchange Commission of Pakistan.



**5.2 Assets in own use**

December 2019 (Un-Audited)

Description	COST			DEPRECIATION			NET BOOK VALUE		Depreciation Rate %
	As at 1 July 2019	Additions	Disposal	As at 1 July 2019	Charge for the period	Disposal	As at 31 Dec 2019	As at 31 Dec 2019	
Office Equipment	3,306,762	-	-	2,106,783	203,500	-	2,310,283	996,479	15% & 30%
Furniture & Fixtures	2,725,941	351,637	-	1,362,975	145,465	-	1,508,440	1,569,138	15%
Vehicles	2,174,400	-	-	409,358	64,961	-	474,319	1,700,081	20%
Computer Equipment	1,175,180	37,800	-	695,501	72,283	-	771,784	441,196	20%
	<b>9,382,283</b>	<b>389,437</b>	<b>-</b>	<b>4,578,617</b>	<b>486,209</b>	<b>-</b>	<b>5,064,826</b>	<b>4,706,894</b>	

June 2019 (Audited)

Description	COST			DEPRECIATION			NET BOOK VALUE		Depreciation Rate %
	As at 1 July 2018	Additions	Disposal	As at 1 July 2018	Charge for the year	Disposal	As at 30 June 2019	As at 30 June 2019	
Office Equipment	3,156,804	285,258	(135,300)	1,823,958	393,908	(111,083)	2,106,783	1,199,979	15% & 30%
Furniture & Fixtures	2,698,441	27,500	-	1,061,259	301,716	-	1,362,975	1,362,966	15%
Vehicles	801,900	1,372,500	-	163,727	245,631	-	409,358	1,765,042	20%
Computer Equipments	1,175,180	-	-	495,646	203,855	-	699,501	475,679	20%
	<b>7,832,325</b>	<b>1,685,258</b>	<b>(135,300)</b>	<b>3,544,590</b>	<b>1,145,110</b>	<b>(111,083)</b>	<b>4,578,617</b>	<b>4,803,666</b>	

**5.2.1** The Gross Carrying amount (cost) of fully depreciated assets that are still in use amounts to Rs. 1,650,379 (30 June 2019 : Rs. 1,459,609).



	Note	31 December 2019 (Un-audited) Rupees	30 June 2019 (Audited) Rupees
<b>6 Intangible assets</b>			
LSE Room		4,265,726	4,265,726
Trading right entitlement certificate (TREC)		2,500,000	2,500,000
Computer Software		-	-
	6.1	<b>6,765,726</b>	<b>6,765,726</b>
<p><b>6.1</b> This represents cost of right to use room given by LSE Financial Services Limited with indefinite useful life. These are considered to be indefinite as there is no foreseeable limit on the period during which an entity expects to consume the future economic benefits. The right to use the room was purchased on 24 April 2017 amounting to Rs.4,374,500.</p>			
<b>7 Musharikhah Investment</b>			
Long term musharikhah investment		<b>744,396,674</b>	866,449,630
Less: Current portion of long term musharikhah investment	10	<b>(430,983,000)</b>	(483,692,615)
		<b>313,413,674</b>	382,757,015
<b>8 Long term morabaha investment - secured</b>			
Long term morabaha investment		<b>18,380,704</b>	20,036,259
Add: Unearned morabaha income		<b>2,930,170</b>	2,232,204
		<b>21,310,874</b>	22,268,463
Less: Current portion of long term morabaha investment	10	<b>(13,891,812)</b>	(11,799,993)
Less: Current portion of unearned morabaha income	10	<b>(1,521,596)</b>	(1,415,344)
		<b>5,897,466</b>	9,053,126
<b>9 Short term morabaha investment-secured</b>			
Short term morabaha Investment		<b>549,314,513</b>	525,782,308
Add: Unearned morabaha income		<b>7,109,074</b>	4,575,612
		<b>556,423,587</b>	530,357,920
Less: Provision for doubtful morabaha investment		<b>(235,561,379)</b>	(235,561,379)
		<b>320,862,208</b>	294,796,541





	Note	31 December 2019 (Un-audited) Rupees	30 June 2019 (Audited) Rupees
<b>10 Current maturity of long term investment</b>			
Current portion of long term musharikhah investment		430,983,000	483,692,615
Less: Provision against musharika investment		(5,199,813)	(8,709,526)
		<b>425,783,187</b>	474,983,089
Current portion of long term morabaha investment		13,891,812	11,799,993
Add: Unearned morabaha income		1,521,596	1,415,344
Less: Provision against morabaha investment		(8,800,000)	(8,800,000)
		<b>6,613,408</b>	4,415,337
		<b>432,396,595</b>	479,398,426

#### 11 Long term musharikhah finance secured

The Modaraba has availed musharikhah finance facilities from The Bank of Punjab having approved limits of Rs. 1,585 million (2019: Rs. 1,585 million) maturing latest by 31 October 2020. These facilities are secured by way of first pari passu charge over present and future fixed assets of Modaraba for amount of Rs. 860 million, first pari passu charge over present and future current assets of Modaraba for an amount of Rs. 1,040 million and ranking charge over present and future current assets for an amount of Rs. 860 million. The estimated share of profit payable on musharikhah facilities is 3 month KIBOR per annum (2019: 3 month KIBOR per annum).

	Note	31 December 2019 (Un-audited) Rupees	30 June 2019 (Audited) Rupees
<b>12 Profit Payable</b>			
Musharikhah Finance		42,693,687	34,609,950
Redeemable Capital		5,963,968	6,161,700
		<b>48,657,655</b>	40,771,650
<b>13 Contingencies and commitments</b>			

#### 13.1 Contingencies

There are no significant changes in contingent liabilities since the last published financial statements as at 30 June 2019.

**13.2.1** Ijarah commitments approved but not disbursed as on balance sheet date amount to Rs. 0.16 million (30 June 2019: Nil).

**13.2.2** Musharikhah commitments approved but not disbursed as on balance sheet date amount to Rs.79.53 million (30 June 2019: Rs. 10.85 million).



	<b>31 December 2019 (Un-audited) Rupees</b>	<b>31 December 2018 (Un-audited) Rupees</b>
<b>14 Administrative expenses</b>		
Salaries and benefits	<b>16,197,335</b>	16,127,917
Traveling and conveyance	<b>101,078</b>	96,045
Depreciation - owned asset	5.2 <b>486,209</b>	565,313
Legal and professional	<b>500,124</b>	537,994
Printing and stationary	<b>577,516</b>	376,351
Insurance	<b>126,176</b>	138,072
Fee and subscription	<b>1,215,582</b>	1,308,428
Auditor's remuneration	<b>235,000</b>	267,470
Repair and maintenance	<b>747,481</b>	301,956
Vehicle running and maintenance	<b>52,054</b>	245,485
Power and utilities	<b>832,381</b>	720,863
Entertainment expenses	<b>546,653</b>	249,644
Advertisement	<b>52,600</b>	-
Telephone and postage	<b>536,068</b>	182,555
Corporate expenses	<b>355,860</b>	263,096
Rent rates and taxes	<b>17,330</b>	13,027
Selling and marketing expenses	<b>666,208</b>	997,215
Miscellaneous expenses	<b>71,463</b>	393,009
	<b>23,317,118</b>	22,784,440
<b>15 Finance cost</b>		
Financial charges on musharikhah	<b>82,586,268</b>	45,636,418
Financial charges on redeemable capital	<b>26,532,554</b>	16,186,896
Bank charges	<b>72,035</b>	35,358
	<b>109,190,857</b>	61,858,672



	<b>31 December 2019 (Un-audited) Rupees</b>	<b>31 December 2018 (Un-audited) Rupees</b>
<b>16 Cash flow from operating activities</b>		
Profit for the period	<b>2,128,242</b>	12,255,943
Adjustments for:		
Depreciation of ijarah assets	5.1 <b>39,533,323</b>	27,212,280
Depreciation of assets in own use	5.2 <b>486,209</b>	565,311
Gain on disposal of Ijarah assets	<b>(1,591,635)</b>	(19,447)
Gain on disposal of owned assets	-	(39,100)
Gain on disposal of non-banking assets	<b>(250,000)</b>	(525,000)
Gain/loss on disposal of musharikhah investment	-	(4,083,831)
Reversal for impairment of ijarah assets	-	(12,872,346)
(Reversal) / Provision for musharikhah investment	<b>(3,509,713)</b>	4,947,175
Financial charges on musharikhah finances	<b>82,586,268</b>	45,059,155
Financial charges on redeemable capital	<b>26,532,554</b>	16,218,651
	<b>143,787,006</b>	76,462,848
<b>Operating profit before working capital changes</b>	<b>145,915,248</b>	88,718,790
<b>Working capital changes</b>		
(Increase)/decrease in operating assets:		
Morabaha investment	<b>(17,327,290)</b>	(14,423,335)
Purchase of assets under ijarah arrangements	<b>(226,759,841)</b>	(115,959,873)
Proceeds from transfer of ijarah assets	<b>33,703,312</b>	1,572,610
Ijarah Rental Receivable - net	<b>28,428,341</b>	807,088
Long term deposits	-	-
Advances, deposits, prepayments and other receivables	<b>(7,004,274)</b>	(2,701,645)
	<b>(188,959,752)</b>	(130,705,155)
Increase/(decrease) in operating liabilities:		
Security deposits - net	<b>2,951,119</b>	16,319,680
Trade and other payables	<b>4,451,512</b>	(12,445,706)
	<b>7,402,631</b>	3,873,974
<b>Net changes in operating assets and operating liabilities</b>	<b>(181,557,121)</b>	(126,831,181)
<b>Cash used in operating activities</b>	<b>(35,641,873)</b>	(38,112,391)



**17 Transactions with related parties**

The related parties and associated undertakings comprise of The Bank of Punjab and Punjab Modaraba Services (Private) Limited. Transactions with related parties and associated undertakings other than remuneration and benefits to key management personnel under the term of employment are as follows:

<b>17.1 Balance outstanding at the end of period</b>	<b>31 December 2019 (Un-audited) Rupees</b>	<b>30 June 2019 (Audited) Rupees</b>
<b>17.1.1 The Bank of Punjab (Holding company of Modaraba's Management Company)</b>		
Musharikhah finances	<b>1,259,224,690</b>	1,223,621,569
Profit payable on musharikhah finances	<b>42,693,687</b>	34,609,950
Certificates of musharikhah	<b>400,000,000</b>	400,000,000
Profit payable on certificates of musharikhah	<b>5,738,569</b>	5,936,301
	<b>Six months ended 31 December 2019 (Un-audited) Rupees</b>	<b>31 December 2018 (Un-audited) Rupees</b>
<b>17.2 Transactions during the period</b>		
<b>17.2.1 The Bank of Punjab (Holding company of Modaraba's Management Company)</b>		
Bank charges	<b>72,035</b>	35,358
Profit charged on finances	<b>82,586,268</b>	46,636,418
Profit charged on certificates of Musharikhah	<b>25,502,208</b>	16,186,896

**18 Reconciliation of liabilities arising from financing activities**

	<b>Audited 30 June 2019</b>	<b>Availed/ Announced</b>	<b>Repaid / Redeemed</b>	<b>Un-audited 31 December 2019</b>
	----- (Rupees) -----			
Long term musharikhah finance	1,223,621,569	798,100,000	(762,496,879)	1,259,224,690
Dividend Payable	17,557,378	-	(7,716)	17,549,662
Redeemable capital	445,518,493	415,016,369	(447,000,000)	413,534,862
	<b>1,686,697,440</b>	<b>1,213,116,369</b>	<b>(1,209,504,597)</b>	<b>1,690,309,214</b>



## 19 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying amounts of all the financial instruments reflected in these financial statements approximate to their fair value. Accordingly, detailed disclosure with reference to fair value has not been given.

## 20 Financial risk management

The Modaraba's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2019.

## 21 Date of authorization

This unaudited condensed interim financial statements for the six months ended 31 December 2019 was authorized for issue by the Board of Directors of the Management Company on February 28, 2020.

## 22 Corresponding figures

Corresponding figures have been rearranged or reclassified wherever necessary for the purpose of comparison and better presentation. However, no significant reclassifications have been made during the year except as given below:

Description	From	To	2018 (Rupees)
Depreciation against Ijarah Assets	Depreciation of Ijarah Assets	Income from Ijarah Rentals	27,212,279

## 23 General

Figures have been rounded off to the nearest rupees unless otherwise provided.

**Chief Executive**  
Punjab Modaraba Services  
(Private) Limited

**Chief Financial officer**  
Punjab Modaraba Services  
(Private) Limited

**Director**  
Punjab Modaraba Services  
(Private) Limited

**Director**  
Punjab Modaraba Services  
(Private) Limited